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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/772,427	01/30/2001	David Lawrence	3499-93	9769

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EXAMINER

FULTS, RICHARD C

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 12/01/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/772,427

Applicant(s)

LAWRENCE, DAVID

Examiner

Richard Fults

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Period for Reply
-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 September 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 24, 27 and 29-46 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 24, 27, and 29-46 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☒ Interview Summary (PTO-413) Paper No(s). 16.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

This office action is responsive to Applicant's amendment and request for reconsideration (Paper No. 15) dated September 8, 2003, which canceled claims 1-23, 25-26, and 28, and amended claims 24, 27, and 29-44 and added claims 45-46. Accordingly claims 24, 27, and 29-46 are presented for examination on their merits.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

1. Claims 24, 27, and 29-46 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claims cite data structuring reliance upon the calculation of a risk "quotient" using an algorithm, which quotient by mathematical definition is the result of one number **divided** by another or expressed as a ratio (one number divided by another) of two numbers multiplied by 100. The specifications only mention a "quotient" resulting from two numbers being **multiplied** together. There is only a single paragraph in the specifications that describes the calculation by algorithm of a risk quotient, and that description is replete with the uncertain and non-specific terms "may be (or maybe not)" and "can be (or can not)", and does not clearly and adequately explain with certainty exactly how that quotient is calculated by one wishing to duplicate and use the invention. That fact leaves only a subjective and general non-functional description of how to make that calculation. As one example, there is no detailed and tangible, concrete, full, concise, and exact written description of how one would quantify and calculate a risk quotient for regulatory risk, with regard to quantifiable aspects of a

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person's characteristics that could be consistently repeated by others to produce tangible and concrete results as required by this statute. In addition the claims recite reliance upon the "risk quotient criteria indicative of an **amount** of regulatory risk" on the one hand while saying the criteria comprises an indication of whether the transaction participant comprises a politically identified person, which is a yes or no answer -- not a quantified **amount** of risk. This language creates confusion as to what it is intended to relate.

Claims 37-43 and 46 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. There is no mention in the specifications of any way to consistently quantify "veracity of previous dealings....", propensity ... unlawful", or "propensity ... unethical".

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 24, 27, and 29-46 are rejected as the claimed invention lacks patentable utility. The invention claims to evaluate risk associated with accounts held by a "politically identified person". The specifications provide very little usable clear guidance as to how to objectively make this determination. Many subjective interpretive criteria are involved in coming up with the end result and it is not clear that the end result is predictive or actually useful. The algorithms are not given nor are the necessary list of essential elements or questions identified to produce the desired tangible and concrete

end result. For one example of the issue see the Response to Applicant's Arguments re: President Bush below.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 24, 27, and 29-46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Taub (US 6,341,267 B1)(hereinafter Taub) in view of Horowitz et al (US6,349,290 B1(hereinafter Horowitz) and Lange (US 6,321,212 B1) (hereinafter Lange).

Taub discloses (see columns 1-30 but in particular columns 1-5) claims 24, 27 and 29-46 as regards the computerized evaluation and gathering of information of personal behavioral and experience factors (politically identified person) in any specific role or situation (financial transaction), and structuring that information into useful criteria regarding probable behavioral patterns in applications to various work related activities, which activities could include financial transactions and political activities, including receiving information relating to political exposure relative to a financial transaction, structuring information according to risk quotient criteria, calculating a risk quotient using that information, suggesting an action responsive to the risk quotient including refusing to perform the transaction and notifying an authority, aggregating risk quotients relating to a financial institution, storing information and the risk quotient and the suggested action and generating reports, where the financial transaction is either

opening or blocking a financial account, calculating an average risk quotient, and a computer server system accessible with a network access device and related connected software to receive information relating to political exposure of a person in a financial transaction. Taub does not teach risk issues or politically identified persons per se and teaches only limited statistical analysis.

Horowitz discloses (see columns 1-48 but in particular columns 1-5) the computerized collection of personalized information (personal behavior (experience), financial aptitude, financial assets, and a combination of these factors) by a financial institution from a person with whom they are in a financial relationship, regardless of for whom they worked or whether or not they were an elected official (politically identified person).

Lange discloses (see pages 1-116 but in particular pages 1-14) a computerized method of statistically analyzing risk from financial transactions based on user data from the people involved in the financial transaction, using all the standard statistical and financial analysis methodology.

Because it would have been common sense and advantageous and would have provided a more comprehensive and cost efficient method of analyzing financial risks relative to the political exposure involved it would have been obvious to one skilled in the art at the time of the invention to add the teachings of Horowitz and Lange to those of Taub, and to add those of Taub to those of the others for the same reason.

5. Given that the use and analysis of demographic/financial data and its application to the investigation of risk and detailed review of individuals/companies/cities/states/countries meeting certain criteria and business actions taken as a result of those analyses are old and well known, it would have been obvious to one skilled in the art at the time of the invention to apply those concepts of demographic evaluation and subsequent action and those of Taub to the evaluation of political risk exposure of a person involved in a financial transaction and action taken as a result of those analyses, and it would have been equally obvious to one skilled in the art at the time of the invention to have applied the concepts of Horowitz to the issue of

political risk exposure of a person involved in a financial transaction and to have applied the concepts of Bell to the same issue.

6. Response to Applicant's Arguments

The PCT references and the IDSs are not relevant to this office action, as it cites new references, and this office action speaks for itself. The term "politically identified person" is no longer an issue.

35 USC 112. The statute states (**and requires**) that: The specification shall contain a written description of the invention, and of the **manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains**, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The few generic examples of algorithms and instructions in the specifications regarding the calculation of a risk quotient of regulatory risk which algorithms, according to the specifications "may" (or may not) be utilized, **do not provide full, clear, concise, and exact terms as to enable any person skilled in the art to duplicate the invention.** As written it is entirely subjective and incomplete, and only provides a general description of old and well known approaches to common analyses of risk; not a specific set of steps with very specific mathematical values or algorithms for or a detailed list of each element being evaluated by this invention.

As one example of the lack of enablement, where in the specifications or claims is the applicant's objective definition of all the regulatory elements involved in developing a regulatory risk quotient for someone like President Bush (a politically identified person by being an elected official), the precise objective formulas to be applied, and what is the exact objective methodology for establishing the values to be applied to each element, how would the fairness or accuracy of those objective assigned values be judged or by whom, and most importantly would the resulting risk quotient be consistent if the analysis were to be done repeatedly by two different sets of people following those detailed

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written steps; one set consisting of far right wing republicans and one set consisting of very liberal anti-war democrats? The answer is they could clearly not be consistent because the written enabling methodology for duplicating the invention does not exist in this application.

7. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Fults whose telephone number is 703-305-5416. The examiner can normally be reached on weekdays from 8:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough, can be reached on (703)-305-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9326 before final and 703-872-9327 after final.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.



RCF

11/21/2003



JEFFREY PWU
PRIMARY EXAMINER